

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7293

BILL NUMBER: HB 1321

NOTE PREPARED: Jan 16, 2013

BILL AMENDED:

SUBJECT: Insurance Matters.

FIRST AUTHOR: Rep. Lehman

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill amends various provisions of the insurance law concerning:

- (1) confidentiality related to examinations;
- (2) reserve valuation of life, annuity, and endowment contracts;
- (3) motor vehicle insurance with respect to a newly acquired motor vehicle;
- (4) sales of travel insurance by travel retailers under a limited lines travel insurance producer license;
- (5) remedies for violations related to the sale, solicitation, or negotiation of portable electronics insurance;
- (6) risk-based capital requirement application to fraternal benefit societies;
- (7) confidentiality, privilege, disclosure, and discoverability of certain risk-based capital-related information filed with the commissioner;
- (8) residency and coverage requirements applying to the Indiana Life and Health Guaranty Association; and
- (9) the bail agent license renewal fee.

The bill also repeals: (1) a publishing requirement for certain insurance company statements; and (2) current law concerning reserve valuation of life, annuity, and endowment contracts.

It also makes conforming amendments.

Effective Date: July 1, 2013.

Explanation of State Expenditures: This bill will increase the workload of the Department of Insurance (DOI) to implement provisions of the standard valuation law. The DOI reports implementing these provisions of the

bill can be performed with existing staffing and resource levels.

The bill also amends coverage amounts the Indiana Insurance Guaranty Association (IIGA) provides if an insurer is found to be insolvent and ordered into liquidation by a court. Because the IIGA is not a state entity, enacting legislation that impacts the IIGA is expected to have no fiscal impact to the state.

Explanation of State Revenues: The bill decreases the renewal fee bail agents pay from \$600 to \$100. The DOI reports there are 324 bail agents who are eligible for renewal in the fall of 2013. Assuming all 324 agents seek renewal, this bill could decrease revenue received from renewal fees by \$162,000 in FY 2014. Revenue collected from bail agent renewal fees is deposited in the Bail Bond Enforcement and Administration Fund.

For FY 2012, a total of \$214,659 was received from bail agent and recovery agent initial exam, license, and renewal fees.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DOI.

Local Agencies Affected:

Information Sources: Logan Harrison, DOI.

Fiscal Analyst: Bill Brumbach, 232-9559.